

BOND INFORMATION STATEMENT  
State of South Dakota  
SDCL 6-8B-19

Return: Secretary of State

State Capitol

500 E. Capitol

Pierre, SD 57501-5077

TELEPHONE: # (605) 773-3537

FILING FEE: \$10.00

Every public body, authority, or agency issuing any general obligation, revenue, improvements, industrial revenue, special assessment, or other bonds of any type shall file with the Secretary of State a bond information statement concerning each issue of bonds.

1. Name of issuer: City of Watertown, South Dakota
2. Designation of issue: \$2,400,000 City of Watertown, South Dakota Economic Development Revenue Refunding Bonds, Series 2010 (Jenkins Living Center Issue) (the "Series 2010 Bonds")
3. Date of issue: September 24, 2010
4. Purpose of issue: Proceeds of the Series 2010 Bonds will be used to (i) refund the outstanding Economic Development Revenue Refunding Bonds, Series 2003 (Jenkins Living Center Issue) of the City and thereby refinance certain outstanding indebtedness of the Jenkins Living Center, Inc. (the "Borrower") and (ii) pay certain costs of issuance of the Series 2010 Bonds.
5. Type of Bonds: Economic Development Revenue Refunding Bonds
6. Principal amount and denomination of bond:

See Cover Page of Official Statement attached  
hereto

7. Paying dates of principal and interest:

See Cover Page of Official Statement attached  
hereto

8. Amortization schedule:

See Cover Page of Official Statement attached  
hereto

9. Interest rate or rates, including total aggregate interest cost:

**RECEIVED**

**SEP 27 2010**

**S.D. SEC. OF STATE**

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See Cover Page of Official Statement attached  
hereto

This is to certify that the above information pertaining to the City of Watertown, South Dakota is true and correct on this 24th day of September, 2010.

PERKINS COIE LLP, as  
Bond Counsel

By: \_\_\_\_\_

For further information regarding the enclosed filing, contact  
Bruce A. Bonjour  
Perkins Coie LLP  
131 South Dearborn Street  
Chicago, Illinois 60603  
(312) 324-8650

*In the opinion of Perkins Coie LLP, Bond Counsel to the Issuer, subject to compliance with certain covenants made by the Issuer and the Corporation to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under present law, interest on the Series 2010 Bonds is excluded from the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2010 Bonds will be taken into account, however, in computing the corporate alternative minimum tax for certain corporations. Interest on the Series 2010 Bonds is includible in gross income for South Dakota franchise tax purposes when the recipient is a banking or other financial institution as defined in South Dakota Codified Laws, Chapter 10-43. See the caption "TAX MATTERS" herein regarding a description of other tax considerations. The Series 2010 Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. See the caption "BANK QUALIFICATION" herein.*

**\$2,400,000**

**CITY OF WATERTOWN, SOUTH DAKOTA**  
**Economic Development Revenue Refunding Bonds, Series 2010**  
**(Jenkins Living Center Issue)**

**Dated:** Date of delivery

**Due:** As shown below

The above-referenced obligations (the "Series 2010 Bonds,") are limited obligations of the City of Watertown, South Dakota (the "Issuer") and do not constitute general obligations or a debt, liability, or pledge of the full faith and credit of the Issuer, the State of South Dakota or any political subdivision or agency thereof. The Series 2010 Bonds are not secured by or payable from any taxes, revenues or assets of the Issuer except for the Issuer's interest in the Loan Agreement and amounts held pursuant to the Indenture. Undefined capitalized terms used on this cover are defined in the text hereof or in *APPENDIX B*.

Pursuant to the Loan Agreement, all proceeds of the Series 2010 Bonds will be lent by the Issuer to Jenkins Living Center, Inc., a South Dakota nonprofit corporation (the "Corporation"). Proceeds of the Series 2010 Bonds will be used to finance (i) the refunding of certain outstanding indebtedness of the Corporation and (ii) certain costs of issuance of the Series 2010 Bonds. The Series 2010 Bonds are payable solely from the moneys held for the payment thereof by The First National Bank in Sioux Falls, Sioux Falls, South Dakota, as Trustee, or its successors, under the Indenture, including amounts held in the Reserve Fund and Loan Repayments required to be made under the Loan Agreement by the Corporation. The Series 2010 Bonds are secured by a mortgage lien on and security interest in various facilities owned by the Corporation and a pledge of the gross revenues of the Corporation.

**An investment in the Series 2010 Bonds is subject to certain risks. See "BONDHOLDERS' RISKS" herein.**

The Series 2010 Bonds, when issued, will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2010 Bonds. Purchasers of the Series 2010 Bonds will not receive certificates representing their interests in the Series 2010 Bonds purchased. Ownership by the beneficial owners of the Series 2010 Bonds will be evidenced by book-entry only. Principal of and interest on the Series 2010 Bonds will be paid by the Trustee, to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of Series 2010 Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2010 Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. See "BOOK-ENTRY SYSTEM."

The Series 2010 Bonds are subject to mandatory, optional and extraordinary redemption and prepayment as described herein under "THE SERIES 2010 BONDS - Redemption Prior to Maturity"

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP*</u>	<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP*</u>
2011	\$270,000	1.750%	100.00%	942153BB2	2015	\$300,000	3.250%	100.00	942153BF3
2012	285,000	2.350%	100.00%	942153BC0	2016	310,000	3.500%	100.00	942153BG1
2013	285,000	2.650%	100.00%	942153BD8	2017	320,000	3.800%	100.00	942153BH9
2014	295,000	3.000%	100.00%	942153BE6	2018	335,000	4.000%	100.00	942153BJ5

The Series 2010 Bonds are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to validity and tax exemption by Perkins Coie LLP, Chicago, Illinois, Bond Counsel to the Issuer, the approval of certain matters by Green, Roby, Oviatt, Cummings & Linnegren LLP, Watertown, South Dakota, as counsel to the Corporation, the approval of certain matters by Perkins Coie LLP, Chicago, Illinois, as counsel to the Underwriter, the approval of certain matters by the City Attorney of the City of Watertown, South Dakota, as counsel to the Issuer, and certain other conditions. It is expected that delivery of the Series 2010 Bonds will be made on or about September 24, 2010 against payment therefor, through the facilities of DTC.

This cover page contains certain information for quick reference only. It does *not* constitute a summary of the Series 2010 Bonds. Potential investors must read this entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

**DOUGHERTY & COMPANY LLC**

The date of this Official Statement is August 20, 2010

\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Services Bureau, a division of McGraw-Hill Companies, Inc., and is set forth for reference purposes only. The City is not responsible for the selection, accuracy, or use of the above CUSIP numbers, which are subject to change after issuance of the Series 2010 Bonds.